

# Arizona 2010 Tourism Facts

Year-end Summary





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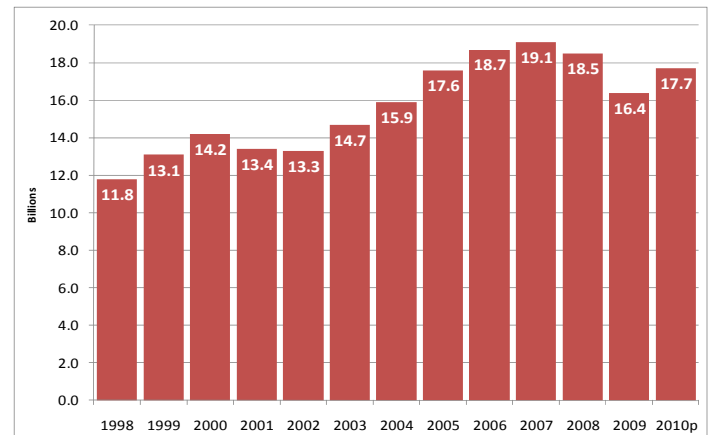


This report summarizes the performance of the Arizona tourism industry in 2010. Areas highlighted are: economic impact, visitation volume and profile data, lodging performance, National and State Park visitation volume, airport passenger traffic and top attractions in Arizona.

## 2010 Overnight Visitation Summary

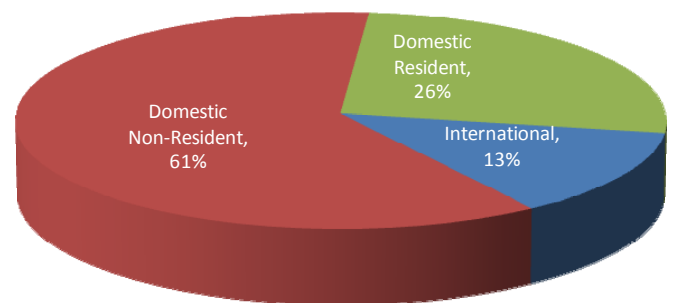
- Direct travel spending by all Arizona visitors increased 7.9 percent to \$17.7 billion in 2010.
- Direct travel spending in Arizona generated \$1.4 billion in local and state tax revenues and \$1.1 billion in federal tax revenues during 2010.
- Travel spending in Arizona generated a direct impact of 152,200 jobs with earnings of \$4.7 billion in 2010.
- Arizona hosted 36.9 million domestic and international overnight visitors, equal to roughly 101,000 visitors per day in 2010.
- Domestic non-residents made up the largest share of overnight visitors (61 percent) to Arizona with 22.5 million visitors in 2010. The second largest visitor segment was Arizona residents with 9.7 million overnight visitors, representing 26 percent of the market.
- 13 percent of Arizona's overnight visitation was made up of 4.7 million international overnight visitors in 2010.

## Direct Travel Spending - 1998-2010



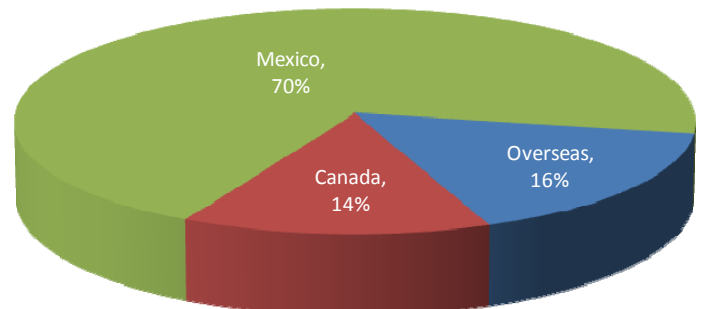
Source: Arizona Travel Impacts, Dean Runyan Associates

## 2010 Arizona Overnight Visitation



Source: Tourism Economics.; US Dept. of Commerce; Stats Canada; U of Arizona

## 2010 Arizona Overnight International Visitation

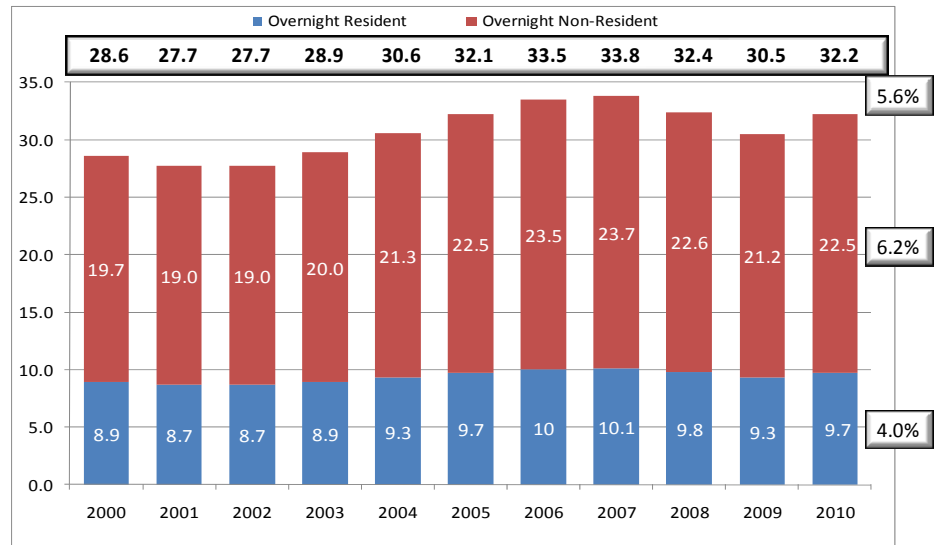


Source: US Department of Commerce; Stats Canada; U of Arizona

## 2010 Arizona Domestic Overnight Travel

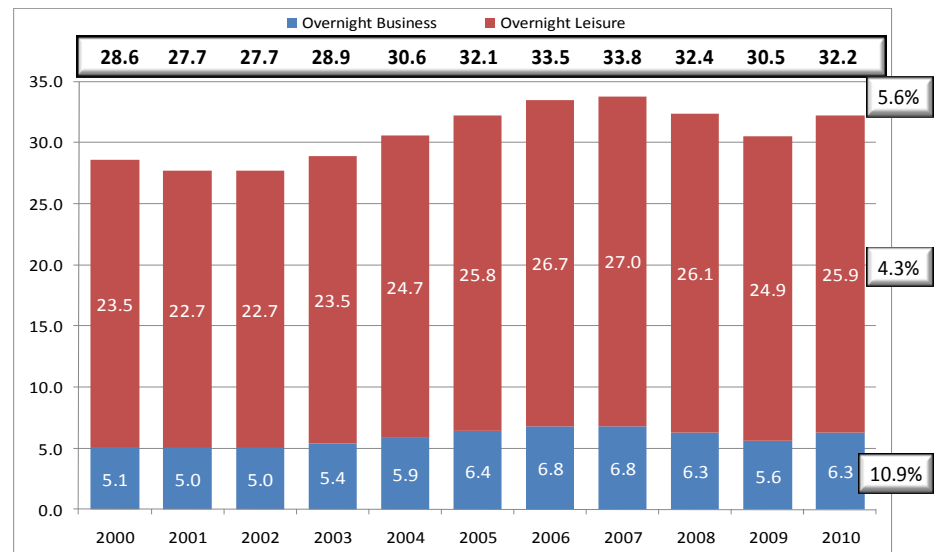
- In 2010, there were 32.2 million Arizona domestic overnight visitors, which is a increase of 5.6 percent.
- The increase in total domestic overnight travel to Arizona was mostly due to a 6.2 percent increase in non-resident visitors. These 22.5 million visitors represented 70 percent of all domestic overnight visitation to Arizona in 2010.
- There was a substantial increase of 10.9 percent in overnight domestic business travel to Arizona in 2010, reflecting an improvement from the last couple of years in which the meetings and conventions segment were hard-hit.
- 30 percent of Arizona's 2010 domestic overnight visitors reside here in Arizona, while another 50 percent reside from the following top 10 markets: Los Angeles, CA; San Francisco, CA; New York, NY; Chicago, IL; Albuquerque, NM; San Diego, CA; Salt Lake City, UT; Las Vegas, NV; Dallas, TX; and Denver, CO.

### Arizona Domestic Overnight - Non-Resident vs. Residents



Source: Tourism Economics

### Arizona Domestic Overnight - Business vs. Leisure



Source: Tourism Economics

## 2010 Arizona Domestic Overnight Visitors - Non-Residents vs. Residents

- Non-resident visitors to Arizona stay longer on average (5.1 nights) compared to the average 2.3 nights of our resident visitors.
- Non-resident visitors are slightly older (47.0 years) than our resident visitors, who average 46.6 years of age.
- Non-resident visitors have a higher average household income compared to resident visitors, at \$79,930 compared to \$67,780.
- 26 percent of non-resident visitors travel by air, while 37 percent travel by auto. In contrast, 83 percent of resident visitors travel by auto. More non-residents rent cars in Arizona (20 percent) compared to the 3 percent of residents who travel in rental cars.
- Non-residents visitors primarily come to Arizona during Q1, Q2 & Q4 while resident visitors travel within Arizona more often during Q3 & Q1.

	Total Overnight	Overnight Non-Residents	Overnight Residents
Visitors	32.2 million	22.5 million	9.7 million
Average Length of Stay	3.9 nights	5.1 nights	2.3 nights
Average Travel Party Size	2.7 persons	2.7 persons	2.8 persons
Purpose of Stay	43% VFR, 17% Business, 14% Touring & 9% Outdoors	45% VFR, 15% Touring, 13% Business, 7% Special Events & 6% Outdoors	38% VFR, 14% Outdoors, 11% Touring & 7% Special Events
Average Age	46.8 years	47.0 years	46.6 years
Average Household Income	\$75,610	\$79,930	\$67,780
Mode of Transportation	51% Auto, 19% Air, 15% Rented Auto	37% Auto, 26% Air, 20% Rented Auto	83% Auto, 5% Camper/RV, 3% Rented Auto
Accommodations	68% Paid, 32% Non-Paid	70% Paid, 30% Non-Paid	64% Paid, 36% Non-Paid
Trip Quarter	29% Q1, 24% Q4	29% Q1, 24% Q2, 24% Q4	27% Q3, 26% Q1

Source: Tourism Economics, Longwoods International

## 2010 Arizona Domestic Overnight Visitors - Leisure vs. Business

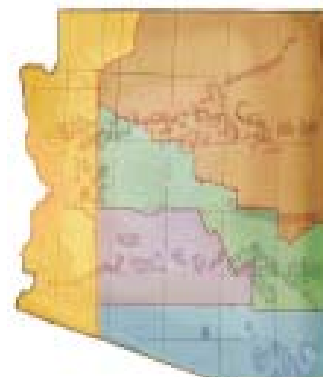
- Leisure visitors tend to stay longer when they visit Arizona (3.9 nights) compared to business visitors, who stay an average of 3.6 nights.
- Leisure visitors have an average travel party size of 2.8 persons compared to business visitors with 2.0 persons in their travel party.
- Business visitors have an average age of 46.9 years which is slightly older than leisure visitors, who have an average age of 46.7 years.
- 54 percent of leisure visitors travel by auto compared to 35 percent of business visitors. Air travel also plays an important role with 31 percent of business visitors and 17 percent of leisure visitors traveling by air.

	Total Overnight	Overnight Leisure	Overnight Business
Visitors	32.2 million	25.9 million	6.3 million
Average Length of Stay	3.9 nights	3.9 nights	3.6 nights
Average Travel Party Size	2.7 persons	2.8 persons	2.0 persons
Purpose of Stay	43% VFR, 17% Business, 14% Touring & 9% Outdoors	51% VFR, 16% Touring, 11% Outdoors & 8% Special Event	68% General Business & 32% Conference/Convention
Average Age	46.8 years	46.7 years	46.9 years
Average Household Income	\$75,610	\$72,840	\$91,460
Mode of Transportation	51% Auto, 19% Air, 15% Rented Auto	54% Auto, 17% Air, 14% Rented Auto	35% Auto, 31% Air, 19% Rented Auto
Accommodations	68% Paid, 32% Non-Paid	65% Paid, 35% Non-Paid	88% Paid, 12% Non-Paid
Trip Quarter	29% Q1, 24% Q4	28% Q1, 25% Q3	30% Q1, 29% Q3

Source: Tourism Economics, Longwoods International

## 2010 Arizona Domestic Overnight Visitors by Region

- Domestic Overnight visitation to Arizona's regions varies in terms of visitor demographics, trip timing and origin region. The data shown in the table below provides an analysis of Arizona Domestic Overnight travelers by Arizona Region.
- The map to the right depicts Arizona's five regions, the dark orange area represents Northern Arizona, the green area North Central Arizona, the purple area Phoenix & Central, the blue area Tucson & Southern and the light orange area the West Coast.



	Total Overnight	North Central Overnight	Northern Overnight	Phoenix & Central Overnight	Tucson & Southern Overnight	West Coast Overnight
Visitors*	32.2 million	4.9 million	5.8 million	16.1 million	6.8 million	3.4 million
Average Length of Stay	3.9 nights	3.3 nights	2.6 nights	3.8 nights	3.6 nights	2.8 nights
Average Travel Party Size	2.7 persons	2.9 persons	3.2 persons	2.3 persons	2.5 persons	3.2 persons
Purpose of Stay	43% VFR, 17% Business, 14% Touring, 9% Outdoors	33% VFR, 24% Touring, 18% Outdoors	34% VFR, 25% Touring, 16% Outdoors	53% VFR, 22% Business, 10% Special Event, 8% Touring	44% VFR, 19% Business, 12% Touring, 11% Special Event	31% VFR, 20% Outdoors, 15% Business, 13% Touring
Average Age	46.8 years	49.2 years	45.5 years	47.7 years	48.0 years	41.1 years
Average HH Income	\$75,610	\$78,320	\$73,180	\$81,460	\$77,450	\$68,990
Mode of Transportation	51% Auto, 19% Air, 15% Rented Auto	60% Auto, 13% Air, 12% Rented Auto	59% Auto, 13% Air, 13% Rented Auto	46% Auto, 28% Air, 17% Rented Auto	54% Auto, 21% Air, 13% Rented Auto	57% Auto, 13% Rented Auto, 12% Air
Accommodations	68% Paid, 32% Non-Paid	70% Paid, 30% Non-Paid	72% Paid, 28% Non-Paid	59% Paid, 41% Non-Paid	66% Paid, 34% Non-Paid	74% Paid, 26% Non-Paid
Trip Quarter	29% Q1, 24% Q4	27% Q4, 25% Q1	29% Q3, 26% Q2	34% Q1, 25% Q4	37% Q1, 23% Q4	33% Q1, 26% Q3
Top Origin DMAs	Phoenix, Los Angeles, Tucson, San Francisco, New York	Phoenix, Los Angeles, Tucson, Albuquerque, Denver	Phoenix, Los Angeles, Tucson, Salt Lake City, Denver	Los Angeles, Tucson, San Francisco, Chicago, Albuquerque	Phoenix, Los Angeles, San Francisco, Albuquerque	Los Angeles, Phoenix, Salt Lake City, Tucson, San Diego

Source: Tourism Economics & Longwoods International

\*For each region, there is some overlap in visitation which is reflected by adding up visitation to all regions. This sum is greater than total reported domestic visitation.

## The Economic Impact of Travel in Arizona

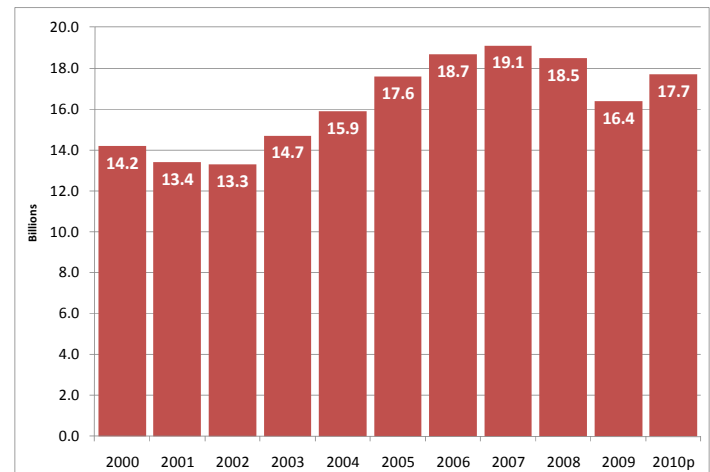
- Travel is an important contributor to the vitality of both the state and local economies. In 2010, total direct travel spending in Arizona was \$17.7 billion, which generated 152,200 direct jobs paying \$4.7 billion in earnings.
- Arizona visitors staying overnight in paid lodging accounted for 42 percent of all visitor spending in 2010.
- Taxes generated by the travel industry are primarily paid by visitors rather than residents. In 2010, 80 percent of the visitor spending in Arizona was by non-Arizona residents. This new money imported into the state economy means the tax revenue generated by travel spending is a net benefit to Arizona residents.

### Direct Travel Spending - 2010

<b>SPENDING</b>	<b>\$17.7 B</b>
<b>TAX REVENUE</b>	
FEDERAL	\$2.498 B
STATE/LOCAL	\$1.112 B
	\$1.386 B

Source: Arizona Travel Impacts, Dean Runyan Associates

### Direct Travel Spending 1998-2010



Source: Arizona Travel Impacts, Dean Runyan Associates

### Travel Employment - 2010

#### EMPLOYMENT

Direct	152,200
Secondary	131,000

**TOTAL 283,200**

#### DIRECT EMPLOYMENT BY SECTOR

1. Accommodation & Food Services	81,000
2. Arts, Entertainment & Recreation	39,000
3. Retail Trade	17,000
4. Transportation	15,000

**DIRECT PAYROLL \$4.7 B**

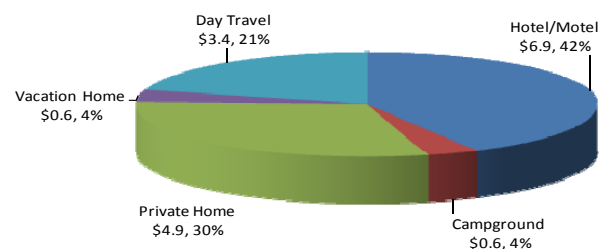
**TOTAL PAYROLL \$9.6 B**

Source: Arizona Travel Impacts, Dean Runyan Associates

### Visitor Spending by Type of Traveler

#### Accommodation 2010p

(\$Billions)



Source: Arizona Travel Impacts, Dean Runyan Associates



## Arizona Travel Impacts - 2000-2010p

Year	Spending	Earnings	Employment	Tax Revenues (\$million)		
	(\$billion)	(\$billion)	(thousand)	Local/State	Federal	Total
2000	14.2	3.8	163.3	1,138	744	1,882
2001	13.4	3.7	153.3	1,082	777	1,859
2002	13.3	3.6	148.2	1,101	825	1,926
2003	14.7	4.0	158.2	1,211	912	2,122
2004	15.9	4.3	163.5	1,287	989	2,276
2005	17.6	4.6	169.9	1,399	1,084	2,483
2006	18.7	4.9	173.4	1,465	1,180	2,645
2007	19.1	5.1	171.5	1,501	1,217	2,719
2008	18.5	5.0	169.0	1,430	1,160	2,590
2009	16.6	4.7	156.0	1,314	1,060	2,375
2010p	17.7	4.7	152.2	1,386	1,112	2,498
Annual Average Percentage Change						
09-10p	7.9%	0.3%	-2.5%	5.5%	4.9%	5.2%
00-10p	2.2%	2.0%	-0.7%	2.0%	4.1%	2.9%

Source: Arizona Travel Impacts, Dean Runyan Associates

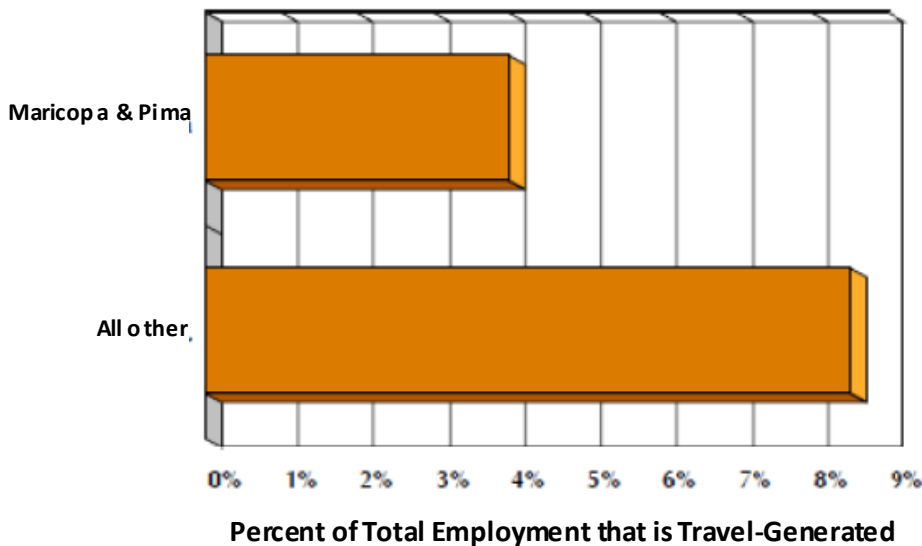
## Arizona County Travel Impacts - 2010p

County	Spending (\$million)	Earnings (\$million)	Employment (jobs)	Local Taxes (\$million)	State Taxes (\$million)	Total Taxes (\$million)
Apache	132	30	1,610	3.0	5.2	8.2
Cochise	340	78	4,130	12	12.9	24.9
Coconino	948	257	10,500	28.9	38.1	67.0
Gila	222	55	2,530	2.8	6.2	8.9
Graham/Greenlee	43	11	990	1.1	1.9	3
La Paz	191	27	1,100	1.9	7.9	9.9
Maricopa	11,193	3,091	82,910	305.5	374.3	679.8
Mohave	439	99	4,650	9.5	18.4	27.9
Navajo	270	65	2,930	5.9	10.5	16.3
Pima	2,022	509	21,520	42.7	81.4	124.1
Pinal	483	120	4,230	9.6	18.7	28.3
Santa Cruz	235	41	1,660	4.9	8.0	12.9
Yavapai	648	170	7,650	14.8	22.6	37.4
Yuma	566	140	5,770	14.1	22.2	36.3
Arizona	17,732	4,693	152,190	456.7	628.2	1,084.9

Source: Arizona Travel Impacts, Dean Runyan Associates

\* Property taxes and sales taxes paid by travel industry employees not included.

## Travel Generated Employment as Percent of Total Employment, 2010p



The impact of traveler spending is relatively more important to Arizona's rural counties than urban counties.

Source: Dean Runyan Associates and Arizona Department of Revenue

## Arizona County Total Direct Spending, 2000-2010p (millions)

County	2000 (\$million)	2001 (\$million)	2002 (\$million)	2003 (\$million)	2004 (\$million)	2005 (\$million)	2006 (\$million)	2007 (\$million)	2008 (\$million)	2009 (\$million)	2010p (\$million)	09-10p Percent Change
Apache	109	101	100	107	113	129	138	143	148	125	132	5.8
Cochise	258	253	271	279	302	320	328	352	351	331	340	2.6
Coconino	741	694	691	741	788	843	870	920	955	892	948	6.2
Gila	206	204	204	213	221	233	242	247	237	217	222	2.4
Graham/Greenlee	31	28	28	30	32	36	45	48	48	36	43	20.6
La Paz	162	160	158	175	186	208	210	2116	216	179	191	6.7
Maricopa	8,779	8,176	7,979	9,069	9,888	11,069	11,910	12,198	11,642	10,164	11,193	10.1
Mohave	322	315	315	361	397	435	483	469	456	396	439	10.9
Navajo	240	220	221	229	238	260	283	290	306	256	270	5.5
Pima	1,876	1,738	1,788	1885	2,019	2,197	2,263	2,237	2,101	1,940	2,022	4.2
Pinal	263	257	257	291	323	365	408	450	461	426	483	13.4
Santa Cruz	237	237	298	262	272	274	254	255	257	270	235	-12.7
Yavapai	558	543	540	581	590	642	685	717	703	623	648	4.1
Yuma	444	434	485	501	533	567	587	590	599	577	566	-2.0
Arizona	14,225	13,361	13,333	14,725	15,903	17,578	18,704	19,132	18,480	16,432	17,732	7.9

Source: Arizona Travel Impacts, Dean Runyan Associates

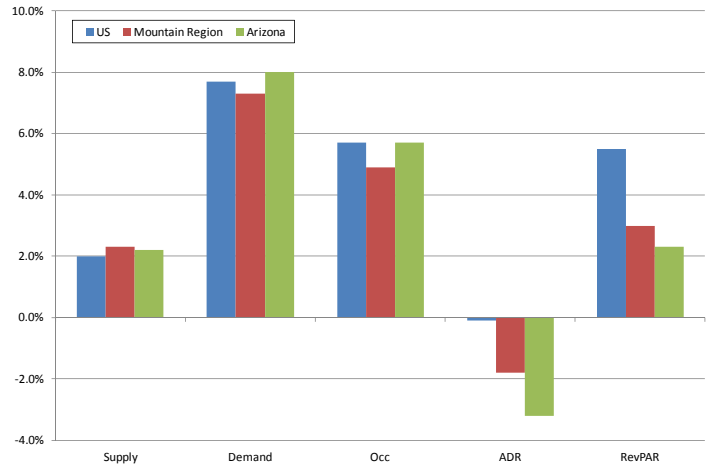
## Mountain Region States *Source: U.S. Census Bureau*



## 2010 Arizona Lodging

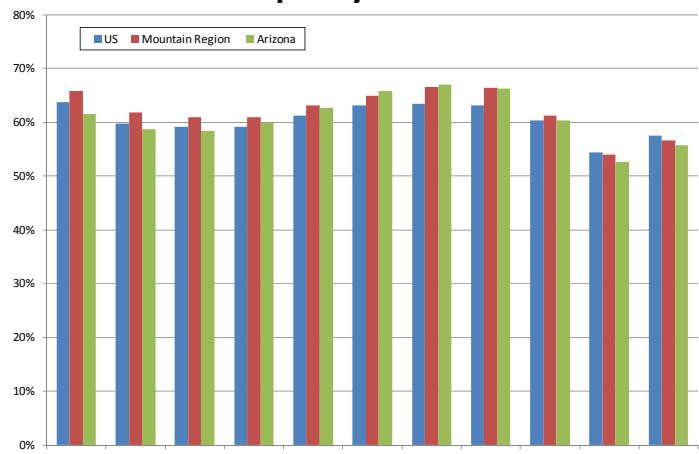
- The performance of the lodging industry in 2010 has improved dramatically from the decline that started due to the recession that started late 2007.
- Arizona's room supply rate of increase started to slow in 2010 compared to the last couple years with a total increase of 2.2 percent. While the U.S. and Mountain Region saw increases of 2.0 percent and 2.3 percent respectively.
- Lodging demand in Arizona increased 8.0 percent over 2009 compared to the U.S. increase of 7.7 percent and the Mountain region increase of 7.3 percent.
- Increased demand positively impacted Arizona's lodging occupancy rates with an increase of 5.7 percent to a rate of 55.7 percent in 2010. The occupancy rate for both the U.S. and Mountain region increased 5.7 percent and 4.9 percent.
- The increased demand and occupancy has yet to improve Arizona Average Daily Rate (ADR). In 2010 Arizona ADR decreased -3.2 percent over 2009 to \$92.80. Comparatively, the U.S. and Mountain region ADR also declined -0.1 percent and -1.8 percent.
- However, average RevPAR in Arizona increased 2.3 percent to a rate of \$51.72. For the U.S. and Mountain region, RevPAR increased 5.5 percent and 3.0 percent.

## Arizona Lodging Performance 2010 (% Change)



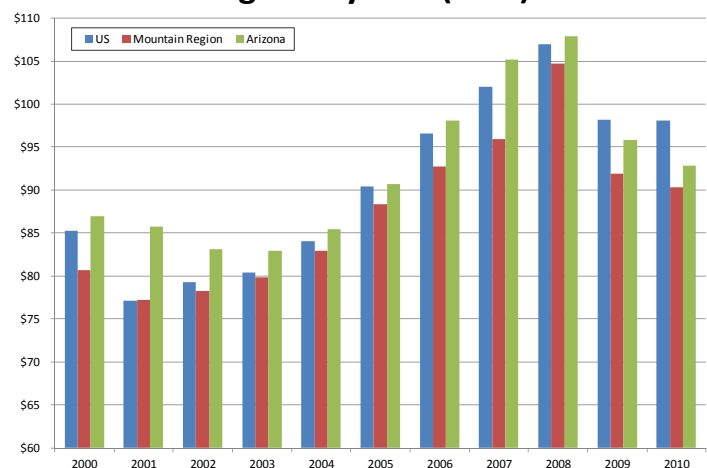
*Source: Smith Travel Research*

## Arizona Occupancy Rates - 2000-2010



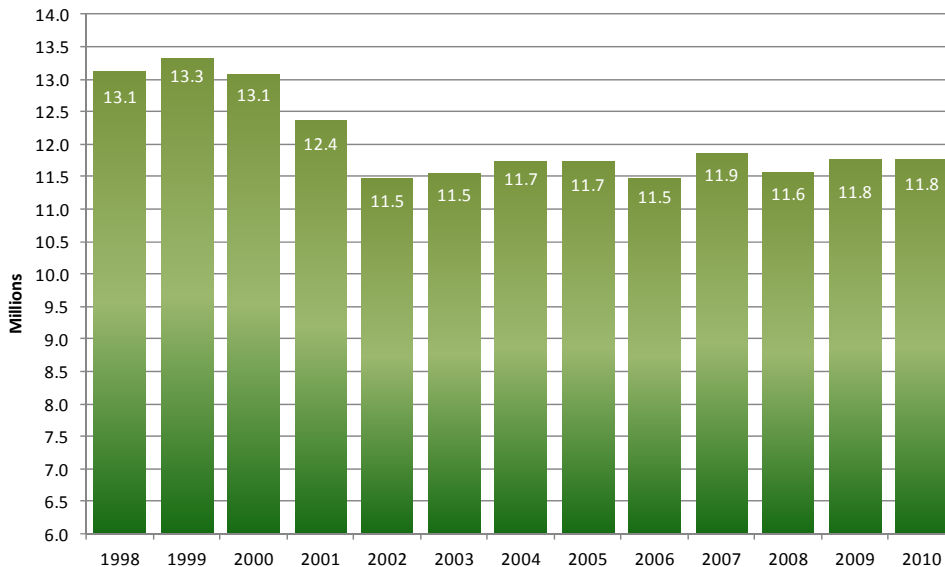
*Source: Smith Travel Research*

## Arizona Average Daily Rate(ADR) - 2000-2010



*Source: Smith Travel Research*

## Arizona National Park Visitation - 1998-2010



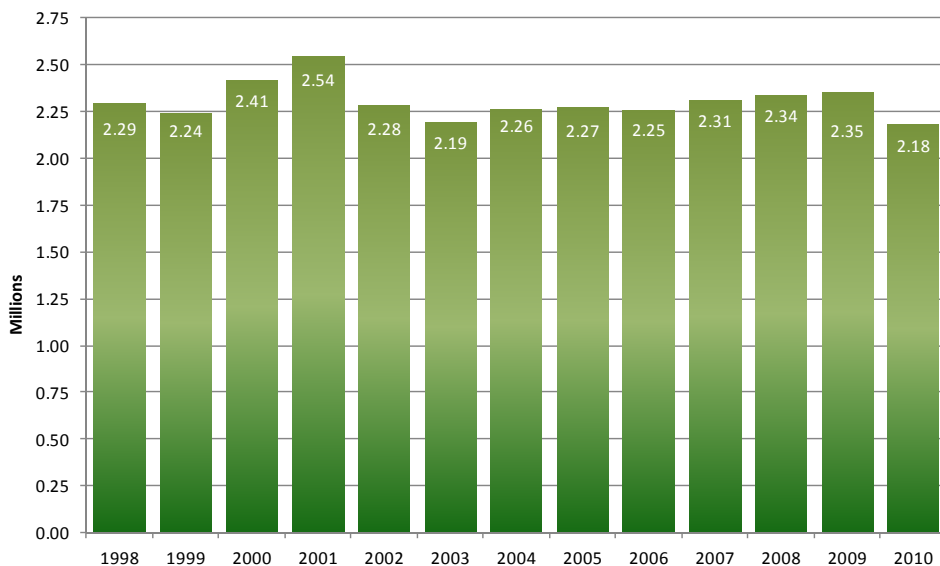
Source: National Park Service

Arizona's National Parks welcomed 11,769,742 visitors in 2010, with no change from 2009.

Top Visited National Parks 2010:

1. Grand Canyon NP
2. Glen Canyon NRA
3. Lake Mead NRA
4. Canyon de Chelly NM
5. Saguaro NP

## Arizona State Park Visitation - 1998-2010



Source: Arizona State Parks

There were 2,179,684 visitors to Arizona's State Parks in 2010 with a decline of -7.3 percent from 2009.

Top Visited Arizona State Parks 2010:

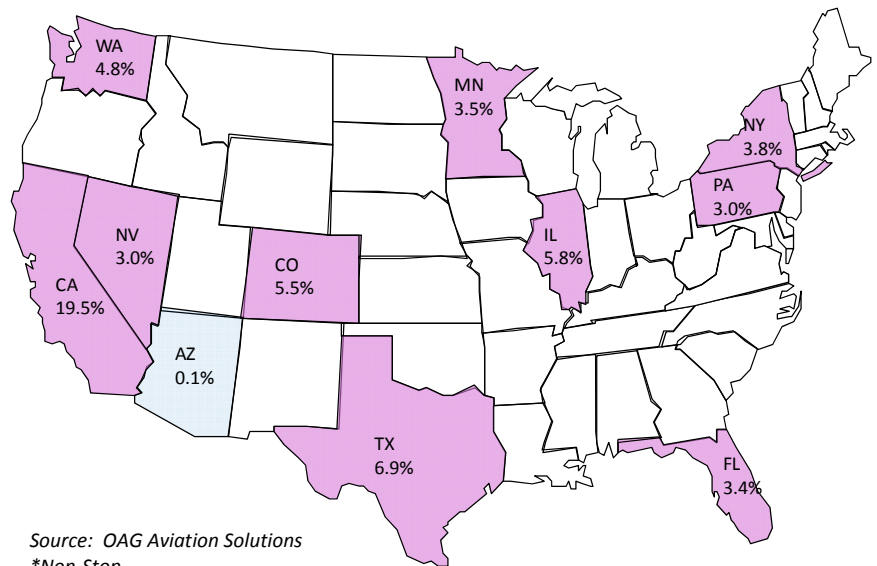
1. Lake Havasu SP
2. Slide Rock SP
3. Catalina SP
4. Patagonia Lake SP
5. Dead Horse Ranch SP



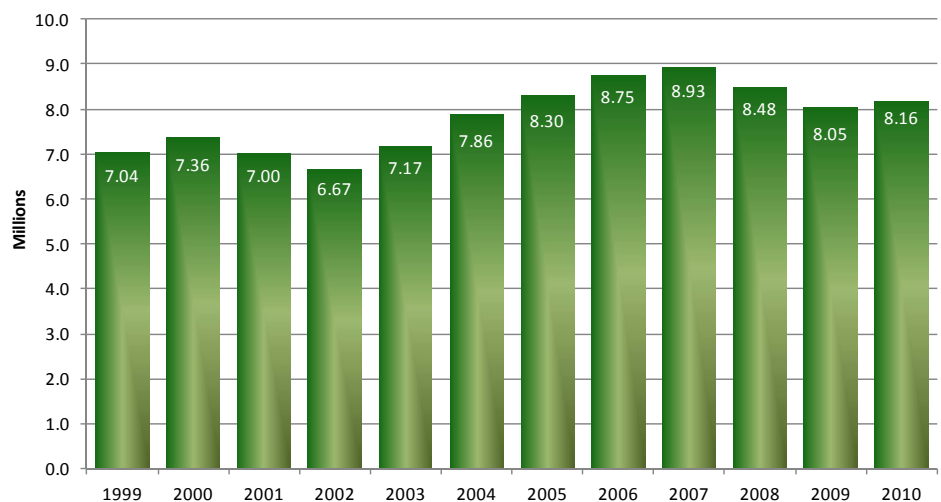
## 2010 Air Visitors to Arizona

- According to Dean Runyan Associates, Arizona is above average in terms of the importance of passenger air travel to the state's visitor industry. Over one-half of all travel spending by visitors to Arizona is attributable to visitors that traveled by air.
- Nearly 60 percent of Arizona's domestic air visitors come from the top ten origin states. 20 percent of air visitors come from California, 7 percent from Texas and 6 percent from Illinois. Air visitors traveling within Arizona only make up 0.1 percent of the total air volume to Arizona.
- Reflecting the current state of the airline industry, in 2010, there were approximately 8.2 million out-of-state visitors to Arizona arriving by air. This number excludes Arizona residents returning home and anyone simply making a connection at an Arizona airport. This was an increase of 1.3 percent from 2009.

### 2010 Air Visitors to AZ - Market Share of Top Origin States\*



### Out of State Air Visitors to Arizona - 1999-2010\*



## Top Arizona Attractions by Visitation - 2009\*

Top 25 Private Attractions	
Attraction	Visitation
Tempe Town Lake	2.8 million
London Bridge	2.5 million
Chase Field	2.1 million
The Phoenix Zoo	1.4 million
Jobing.com Arena	1.2 million
U of Phoenix Stadium	1.2 million
U.S. Airways Center	1.1 million
Desert Botanical Garden	640,000
WestWorld of Scottsdale	600,000
Reid Park Zoo	536,000
Tombstone	500,000
ASU Sun Devil Stadium	430,000
Rawhide Western Town	428,000
Wildlife World Zoo & Aquarium	410,000
Arizona Science Center	364,000
Grand Canyon Railway	289,000
Arizona Temple and Visitors' Center	271,000
Scottsdale Center for the Performing Arts	236,000
Phoenix Art Museum	201,000
Arizona Snowbowl	180,000
Heard Museum	180,000
Tucson Museum of Art & Historic Block	176,000
Pima Air & Space Museum	145,000
Verde Canyon Railroad	89,000
Lowell Observatory	80,000

Top 25 Natural Attractions	
Attraction	Visitation
Grand Canyon NP	4.3 million
South Mountain Park	2.0 million
Glen Canyon NRA	1.6 million
Lake Mead NRA	1.6 million
Canyon de Chelly	826,000
Saguaro NP	664,000
Petrified Forest NP	632,000
Montezuma Castle NM	580,000
Lake Pleasant RP	436,000
Lake Havasu SP	368,000
Organ Pipe Cactus NM	326,000
Grand Canyon West Skywalk	292,000
Slide Rock SP	259,000
Wupatki NM	233,000
Patagonia Lake SP	214,000
Sunset Crater Volcano NM	177,000
Catalina SP	175,000
Dead Horse Ranch SP	171,000
Tohono Chul Park	156,000
Kartchner Caverns SP	144,000
Walnut Canyon NM	128,000
Tuzigoot NM	106,000
Hubbell Trading Post NHS	102,000
Buckskin Mountain SP	100,000
Coronado National Forest	97,000

Source: Reporting Entities

\*Please note, this is the most recent list as of October 2011.